

## Environmental Scan Series.3

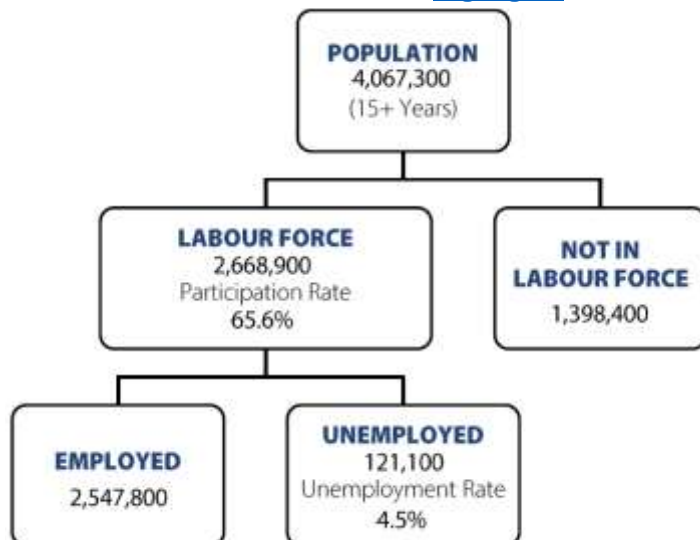
# Labour Market Outlook

Canada's current unemployment rate is at 5.8%<sup>1</sup>, a 40-year low.<sup>2</sup> A tight labour market has resulted from the combination of a reasonably strong economy (requiring more jobs) and an aging population (providing fewer workers).<sup>3</sup> Employers also struggle to find and retain employees that can fulfill their changing skill-set needs, resulting in unfilled job vacancies.<sup>3,4</sup> A tight market will also put upward pressure on wages and will create challenges for employers.<sup>3-5</sup>

According to the BC Labour Market Outlook, (LMO) 2018 Edition, there will be over 900,000 job openings in BC over the next ten years, 77% which will require post-secondary education.<sup>6</sup> Over a third of these new jobs will come from three industries: Healthcare and Social Assistance (148,000 job openings, 16%), Professional, Scientific and Technical Services (106,000 job openings, 12%), and Retail Trade (82,000 jobs, or 9%).<sup>6</sup> It is estimated that half of these jobs will be filled by young people starting their careers while immigrants and interprovincial migrants will constitute another 35%, leaving an additional unmet supply of 15% (130,000 jobs).<sup>6</sup>

BC's seasonally adjusted unemployment rate for Feb 2019 was 4.5% (the lowest in Canada), and has trended down over the last ten years (from 7.7% in 2009).<sup>1</sup> Participation rates<sup>i</sup> are high; 65.6% of all British Columbians and 87.6% of those aged 25 to 44 are currently in the labour market.<sup>1</sup>

Figure 1. BC Stats Labour Force Statistics [Highlights](#) Feb. 2019



### Tight Labour Market

Retirees outnumber incomers, putting upward pressure on wages and forcing post-secondary institutions to compete with an attractive labour market.

### Participation and Unemployment

February 2019 unemployment rate in BC was 4.5%, the lowest in Canada.

Participation is increasing for 45 to 65 year olds to 77%

### Construction Up Before Down

The next three years will see a boom in construction in BC, with a decline after 2021.

### Labour Market Winners

Healthcare; Professional, Scientific and Technical Services; and Retail Trade will produce over 37% of the new job openings until 2028.

### Reskilling Required

Workers in the slower growth industries will require retraining to re-enter the labour market.

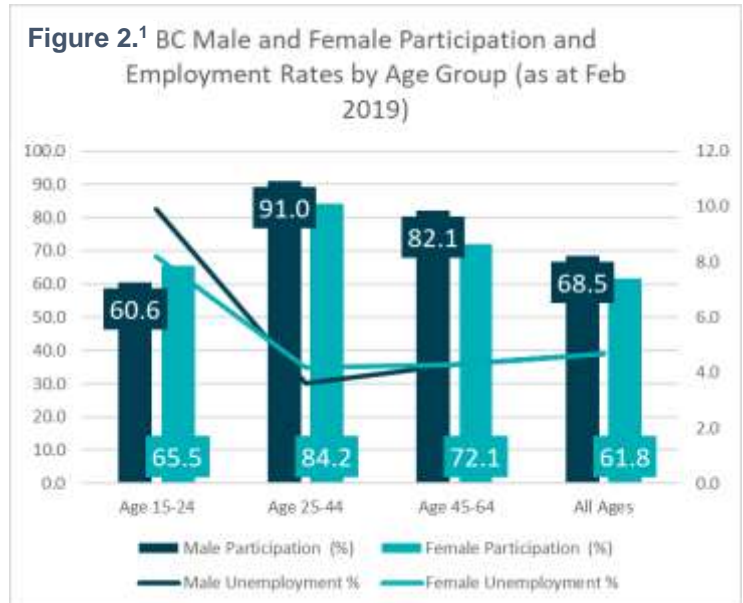
## Environmental Scan Series.1

# Labour Market Outlook

The combination of high participation and low unemployment indicates that there is little additional capacity for workers in the BC population. One exception may be the 45+ age group; notwithstanding overall participation increases in the last ten years, rates are still lower for this group, especially for women.<sup>1</sup> Women over 45 years old also participate in part-time work more than men; 30.4% of women are employed part-time, while only 15.2% of men are.<sup>1</sup> The attractive labour market situation may encourage older British Columbians to seek new employment and related retraining opportunities; responsive post-secondary institutions will ensure flexible and accessible programming for this group. Technology and automation may also alleviate some demand for less skilled workers.<sup>5</sup> Technology forces will be discussed in future briefs.

Facing a low unemployment rate and armed with in-demand skills, new post-secondary graduates should have a positive outlook for employment. With the youth unemployment rate at only 8.8% (down from 14% in 2009), British Columbians aged 15 to 24 need to choose between a seller's labour market and furthering their education.<sup>1</sup> Employers will be competing to recruit technically savvy, socially-conscious and multidisciplinary workers by offering higher wages, flexibility, and learning opportunities.<sup>5,7</sup> Skills for the future of work will be fully explored in a future briefing note in this series.

In the Thompson Okanagan region, between 2018 and 2028, there will be over 91,000 job openings, 21% of which will result from expansion and 79% of which will result from replacement (e.g. retirements).<sup>8</sup> The top occupations in terms of job numbers will be nurse aids and orderlies with 2,819 openings,



followed by retail salespeople (2,802) and registered and psychiatric nurses (2,320).<sup>8</sup>

By industry, Healthcare will be a major employer in the region. Nursing and residential care facilities will add 5,632 jobs, Ambulatory health care services will add 4,660, and Hospitals will add 3,923 to a total job growth of over 14,000 jobs over ten years and total numbers employed in the region at over 76,000 by 2028.<sup>8</sup>

With the Canadian dollar expected to remain low, employment related to tourism services is also expected to increase. Jobs in Food services will increase by 14% with a total of 21,552 employed, Accommodation will grow by 16%, and Amusement, gambling and recreation industries will grow by 11% for a total job creation of 4,326 jobs in the region; the total for these three industries will be over 72,000 employed by 2028.<sup>6,8</sup>

In the Thompson Okanagan region, the Construction industry currently (2018) employs the most people in the region (29,951, or 12.6% of total employment) but will see a contraction of

## Environmental Scan Series.1

# Labour Market Outlook

17% or over 5,000 jobs (to 24,823 employed) by 2028.<sup>8</sup>

Across BC, in the next ten years, the Construction industry is projected to contract by only 2% for 4,290 fewer people employed than today.<sup>8</sup> However, the BuildForce Canada BC bulletin describes a strong labour demand in the next few years, especially in the Vancouver area, with several new projects underway (see the [Economic Outlook](#) in this series).<sup>9</sup> Due to the high cost of living in the metro area recruiting workers is difficult.<sup>9</sup> In northern BC, the timing of new major projects is expected to increase non-residential construction employment by 20%, or 12,900 workers, in the next three years to peak in 2021, before receding.<sup>9</sup> Two major projects include the Site C dam in the Northeast, near Fort St. John, and the LNG Canada project in the Northwest. While the north may not see large gains in local permanent residents as many workers may live in the southern interior and travel to work in shifts; these workers may wish to receive training during their time at home.

In the Thompson Okanagan region, Forestry and logging employment will contract by 29%, from 2,175 to 1,549 employed.<sup>8</sup> Wood product manufacturing will see a 3% reduction, from 5,269 to 5,124 employed.<sup>8</sup>

The LMO poses questions for educators, recognizing that “lifelong learning will be a key element of success going forward:”

- Could post-secondary education be completed in a faster, more efficient manner so that learners can start their careers sooner?
- Would a greater focus on developing applied skills and competencies result in faster, more efficient matching of workers to demand?<sup>6</sup>

In addition, the LMO recognizes the lack of Indigenous labour market data. The province is working to improve data that are more relevant to Indigenous people, increasing data governance and analysis capacities in communities, and adhering to OCAP® principles (Ownership, Control, Access, and Possession).<sup>6,10</sup> Indigenous communities have cited that more context around labour market data is required including effects of colonialization, cultural work done, and the output of traditional economies.<sup>10</sup> A recent paper, commissioned by the provincial government, titled “Indigenous Labour Market Information Project Summary Report,” is a good summary of the issues around Indigenous labour market data.<sup>10</sup>

In a presentation, “The Future of Work in British Columbia,” Chris Holling, the Director of Forecasting for the BC Labour Market Information Office, asked this of our new world of work:

- What cultural shifts are changing the way we work?
- How are employees and workplaces adapting to these changes?
- How is work changing? (Gig economy, Shopify, Uber, Etsy)
- What tasks are being automated?
- What skills are needed for the future workforce?<sup>11</sup>

These questions will be explored in a future issues exploring the future of jobs and skills and the challenges for post-secondary education.

### *Next in the Series*

Demographic trends affecting post-secondary education.

## Environmental Scan Series.1

# Labour Market Outlook

### Sources

1. BCStats. (2019). [Labour Market Statistics February 2019 \[data table\]](#).
2. Government of Canada, D. of F. (2018, November 21). [Backgrounder: A Strong and Growing Economy for the Middle Class \[Fact sheet\]](#).
3. Department of Employment and Social Development. (2018, November). [Labour Market Bulletin - British Columbia: November 2018](#).
4. Mallett, T. (2018, March). [Help wanted: Private sector job vacancies, Q4 2017](#).
5. Society for College and University Planning. (2018). [Implications of the external environment: Fall 2018](#). (Trends for Higher Education).
6. WorkBC. (2018). [WorkBC - B.C.'s Labour Market Outlook: 2018 Edition](#).
7. Deloitte. (2018). [The rise of the social enterprise: 2018 Deloitte global human capital trends](#). Deloitte Insights.
8. Ministry of Advanced Education, Skills and Training - Labour Market Information. (2018, September 21). [Employment-by-industry-and-occupation-for-bc-and-regions \[table\]](#). BC Data Catalogue.
9. BuildForce Canada. [Construction and Maintenance Looking Forward BC Highlights 2019-2028](#)
10. Arrive Consulting and Roundtable Consulting. (June 2018). *Indigenous Labour Market Information Project Summary Report*. Labour Market Information Office, BC Ministry of Advanced Education, Skills and Training
11. Holling, C. (2018, October). *The Future of Work in British Columbia*. Presented at Coast Mountain College. Terrace, BC. Workforce Innovation and Division Responsible for Skills Training, BC Ministry of Advanced Education, Skills and Training.

---

<sup>i</sup> The labor force participation rate measures an economy's active labor force and is the sum of all employed workers (or unemployed and looking for work) divided by the working age population. People not included in the participation rate include those who do not want to work or can't work. This includes students, homemakers, incarcerated people and retirees.

<https://www.investopedia.com/terms/p/participationrate.asp>